

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 677 - SB 1310

March 29, 2022

SUMMARY OF BILL AS AMENDED (014886, 015784): Requires a clear, readily accessible, and convenient process for patients and prescribing practitioners to request a step therapy exception if coverage of a prescription drug for the treatment of any medical condition is restricted for use by a health carrier, health benefit plan, or utilization review organization through the use of a step therapy protocol.

The proposed legislation takes effect January 1, 2023 and applies to agreements for health insurance or health plans entered into, issued, delivered, amended, or renewed on or after that date.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- Step therapy is the process of trying less expensive medications before stepping up to drugs that cost more.
- The proposed legislation requires health carriers, health benefit plans, or utilization review organizations to grant a step therapy exception if one of certain outlined criteria is met.
- The proposed legislation does not apply to the TennCare program or any of its successors, the CoverKids Act of 2006, or the Access Tennessee Act of 2006.
- According to information provided by Benefits Administration, the State Government Insurance Plans (SGIPs) are not impacted by the proposed step therapy exception appeals.
- The Department of Commerce and Insurance can promulgate rules utilizing existing resources; therefore, any fiscal impact is estimated to be not significant.

IMPACT TO COMMERCE OF BILL AS AMENDED:

NOT SIGNIFICANT

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Assumption for the bill as amended:

- The provisions of the proposed legislation will not result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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